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1 5 JAN 1968

MEMORANDUM FOR THE RECORD

SUBJECT: DD/S Retirement Study - Discussion with the Executive Officer
to the DD/S

1. A meeting was held in the office of the Executive Officer to the DD/S on 18 December 1967 to obtain his views on the present and future policies in regard to the Agency retirement program. Attending the meeting were:

25X1 Mr. [] - Executive Officer to the DD/S
Mr. George E. Meloon - Director of Logistics
25X1 Mr. [] - Personnel and Training Staff, Office of Logistics
Mr. [] Special Assistant to the Director of Logistics

25X1 2. Mr. [] stated that the Support Career Service could not only live with retirement at 60 years of age, but that he believed this policy to be in the best interest of the Agency. Since Support careerists are generalists, there is usually no problem in finding replacements, as personnel can be borrowed from other Support Career Services, if required. Overseas rotation is a major responsibility in the Support Career Service, and willingness and ability to travel are important factors.

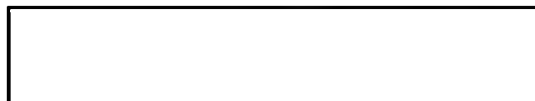
25X1 3. Mr. [] remarked that there was no grumbling, to his knowledge, on the part of Support careerists in regard to the Agency retirement policy. Most personnel have indicated a future willingness to retire on schedule.

25X1 4. Mr. [] stated that he had mixed emotions on the value of providing added inducement for early retirement to the CIAR System. If such inducement moved out personnel who have "peaked out" early without causing the loss of too many highly 25X1 qualified individuals, then such inducement would be of value. [] agreed that provision for some inducement could probably be made under the Director's administrative authority. In line with Agency objectives to move people out early and graciously, added inducement would be an excellent tool.

25X1 5. Mr. [] stated that a single retirement policy was in the best interest of the Agency. There is room for exceptions, particularly with such functions as the Office of National Estimates. While unhappy personnel will never understand the reason for these exceptions, the Agency must determine what is necessary for itself.

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The single retirement policy concept, augmented by an extension and a contract program, based solidly on Agency personnel requirements, is a much better answer than several policies based on Agency organization.



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5 JAN 1968

MEMORANDUM FOR THE RECORD

SUBJECT: DD/S Retirement Study - Discussion with the Director of
Medical Services

1. A meeting was held with the Director of Medical Services on 13 December 1967 to obtain the views of the Office of Medical Services on the present and future policies in regard to the Agency retirement programs. Attending the meeting were:

Dr. John R. Tietjen - Director of Medical Services

Mr. George E. Meloon - Director of Logistics

Mr. [] - Personnel and Training Staff, Office of Logistics

Mr. [] Special Assistant to the Director of Logistics

2. Dr. Tietjen explained that the Office of Medical Services had very little experience with the Agency retirement policy. The first Office of Medical Services employee is not expected to retire until 29 February 1968. The Office of Medical Services Career Service has about [] employees and, to date, only a half-dozen have received their five-year retirement notices. Without experience, but based on the Office's ability to recruit and maintain its present personnel, Dr. Tietjen stated that the Office of Medical Services can live with the present Agency policy of retirement at 60 years of age.

3. Office of Medical Services employees serving as medical technicians overseas generally qualify for the CIA Retirement System. It is the desire of the Office that these employees remain flexible and available for overseas service. While CIAR provides a means of early retirement, many medical technicians who continue in the Office of Medical Services Career Service eventually move into administrative positions and do not block positions needed to fill overseas vacancies.

4. Dr. Tietjen stated that he was not familiar with the feelings of Office of Medical Services personnel on the Agency policy but, from his own viewpoint, the policy appears to lack firm legal support. While he has had no difficulty in encouraging early retirements by Office of Medical Services personnel, he does not see how a reluctant employee can be required to acquiesce to the system.

5. The following topics were also discussed:

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a. Second Careers. Medical technicians generally can find employment in the commercial medical field but most are attracted to completely new careers. At the age of 50, Office of Medical Services personnel entering the private medical field are competing with young, recent graduates of medical technician schools. Physicians have no problem but most are reluctant to attempt to establish a private practice late in life.

b. Added Financial Inducement for Early Retirement. Dr. Tietjen stated that extra inducement for early retirement would certainly make the CIAR System more attractive, but he suspects the best qualified personnel will be the first to leave. The effect of added inducement on the problem employee could well be negligible.

c. Reemployment of Retirees. Since the Office of Medical Services has no retirees, this situation has not come up. The Office of Medical Services would be pleased to hire a retiree on contract to write the Office history.

d. Overseas Rotation. Overseas rotation has not been a problem to the Office of Medical Services. While early retirement will provide room for younger personnel, resignations and advancements to administrative positions have provided sufficient vacancies for hiring new personnel for overseas service.

6. Commenting in his capacity as the Agency's senior medical officer, Dr. Tietjen stated that medical evidence clearly indicates that this Agency, as the average age of employees moves up, is suffering increased losses due to sickness and disability. Commenting on the Agency in general, he said that this Agency is unique in U. S. Government employment, and that Agency personnel are under stresses not usually found elsewhere. Such factors as psychological pressures, security considerations and, for many, long separations and/or frequent travel away from home cause considerable stresses. At times these pressures have adverse effects on the general health of Agency personnel.

7. In summary:

a. The Office of Medical Services can live with the present Agency retirement policy.

b. While the Office of Medical Services requires a cadre of flexible medical technicians, resignations, career development, and promotions have provided adequate vacancies to hire new personnel for overseas service.

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c. The Office of Medical Services feels that the Agency policy of retirement at age 60 under the Civil Service Retirement System requires legal support.

d. Satisfactory second careers are available for Office of Medical Services personnel who desire early retirement.

e. Added financial inducements for early retirement are desirable to make the CIAR System more attractive. These extra inducements may result in the loss of the better qualified individuals.

f. Speaking as the senior Agency medical officer, Dr. Tietjen stated that personnel in this Agency serve under unique circumstances and pressures. While there are different levels of pressure in the Agency, at times these pressures tax the general health of Agency personnel.

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MEMORANDUM FOR THE RECORD

SUBJECT: DD/S Retirement Study - Discussion with Representatives of the
Office of Communications

1. A meeting was held in the office of the Deputy Director of Communications on 12 December 1967 to obtain the views of the Office of Communications on the present and future policies in regard to the Agency retirement programs. Attending the meeting were:

25X1 Mr. [] - Deputy Director of Communications
Mr. [] - Chief, Administration Staff, Office of Communications
Mr. George E. Meloon - Director of Logistics
25X1 Mr. [] - Personnel and Training Staff, Office of Logistics
Mr. [] - Special Assistant to the Director of Logistics

25X1 2. Mr. [] stated that there is a clear distinction between the CIA and the Civil Service Retirement Systems insofar as requests for extensions are concerned. No extension requests have been or are likely to be considered under the CIA System. Under the Civil Service System, requests for extensions have thus far been limited to personnel at GS-07 and below. Since these people are not blocking the career progression of others and are often in the "hard-to-recruit" area, the Office of Communications is liberal in approving such requests. Personnel at the GS-12 and above level have accepted the new Agency "mandatory" retirement age of 60 without any significant problems developing.

25X1 3. Mr. [] stated that the large overseas responsibility has resulted in a majority of Office of Communications employees participating in the CIA Retirement System. Twenty Office of Communications employees have retired under the CIA Retirement System, and six have retired under the Civil Service Retirement System. (Three additional personnel participating in the CIA Retirement System died in service.) It is expected that the number of retirees will increase significantly in the next 10 years. The CIA Retirement System is particularly helpful both to Office of Communications management and to Office of Communications employees whose assignments are primarily oriented to overseas areas. While it is frequently the case that operators and technicians cannot rise above the GS-09/GS-11 levels, early retirement provides a stimulus to retain employees while offering a "carrot" to the employees. Several

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Office of Communications

early retirements of employees in the GS-15 range have provided encouragement to young professionals that there will continue to be room for advancement in the Office of Communications. The Office has not had a problem filling retirement vacancies from within.

25X1 4. Mr. [] further stated that although there was a general acceptance by
Office of Communications personnel of the Agency policy of retirement at age 60, he
believed that retirement at age 62 would be significantly more acceptable to personnel
25X1 retiring under the Civil Service System. From his discussion with personnel involved,
Mr. [] had gained the distinct impression that if they were not qualified for the
CIA System and the additional benefits it provided, they should not be forced to accept
the same mandatory retirement age of 60. Further, these same individuals had
trouble understanding the words "you are expected to retire." They appeared to believe
that a firm, legal retirement policy should be implemented if all employees under the
Civil Service System were to receive equitable treatment.

5. The following general topics were discussed:

a. Second Careers. Office of Communications employees retiring early
under the CIA Retirement System at the GS-09/GS-11 level will probably often be
able to find equivalent employment and frequently, by including retirement pay,
will come out with financial gains. Outside employment will usually be found at
the same social level and loss of so-called position status mentioned by other
Office Directors is not a factor. Because of specialized knowledge in the com-
munications field, personnel will also be able to obtain equivalent job opportuni-
ties on the commercial market. Despite the attractive positions available, there
has been no indication of a large-scale exodus by Office of Communications
personnel at the earliest option.

25X1 b. Added Financial Inducement for Early Retirement under the Civil
Service System. Mr. [] stated that, in line with his opinion stated above
and that of others in the Office of Communications, early retirement under the
Civil Service System, although sound from a management viewpoint, was some-
what unfair to the participants. The CIA System offers an increased annuity and
optional retirement at age 50. Since the Agency version of the Civil Service Sys-
tem offers no additional benefits and still imposes a mandatory retirement age of
60, some consideration should be given to providing a financial inducement to
encourage early retirement under this Act.

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Office of Communications

c. Use of Sick Leave. Mr. [] stated there was no record in the Office of Communications of excessive use of sick leave by near-term retirees. All those who have retired have had an average excess of 1,000 hours of sick leave. 25X1

d. Reemployment of Retirees. Mr. [] stated that the Office of Communications has hired two retirees as independent contractors -- one to assist in writing the Office history and one to assist in testing equipment from his home in the midwest. The latter contract has been completed. 25X1

e. Overseas Rotation. Mr. [] stated that approximately two-thirds of the positions in the Office of Communications were outside the Headquarters area. An early retirement program, with employees encouraged to retire at 50 and above, is important to maintain and recruit a viable force to fill these assignments. 25X1

6. In summary:

a. The Office of Communications can live with the present Agency retirement policy and plans to encourage many employees to accept early optional retirement. We would anticipate requests for extensions at the GS-07 and below level under the Civil Service System.

b. While the retirement age of 60 is acceptable to the Office of Communications, it is believed that employees under the Civil Service Retirement System would be significantly happier with age 62.

c. The Civil Service Retirement System should be made more attractive by providing a financial inducement to encourage early retirement.

d. There is no excess use of sick leave by Office of Communications near-term retirees.

e. It is anticipated that second careers at acceptable levels of pay and responsibility will be available to many Office of Communications retirees outside of Government service.

f. Overseas rotation is a very strong reason to maintain a young, flexible force permitted by an effective early retirement system.

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MEMORANDUM FOR THE RECORD

SUBJECT: DD/S Retirement Study - Discussion with Representatives of the
Office of Finance

1. A meeting was held in the office of the Director of Finance on 7 December 1967 in order to obtain the views of the Office of Finance on the present and future policies in regard to the Agency retirement program. Attending the meeting were:

Mr. Robert H. Fuchs - Director of Finance

25X1 Mr. [] - Deputy Director of Finance

Mr. George E. Meloon - Director of Logistics

25X1 Mr. [] - Personnel and Training Staff, Office of Logistics

Mr. [] Special Assistant to the Director of Logistics

2. Mr. Fuchs stated that the Office of Finance was able to carry out its responsibilities under the present Agency policy but that, in his opinion, serious personal hardships would develop to a number of individuals if the mandatory retirement age were reduced from age 60, and serious difficulties will develop in manpower of the Office of Finance Career Service if a large percentage of eligible employees select early retirement. Mr. Fuchs feels that a lowering of the retirement age may not be in the best interests of the Agency or Agency employees. While there is no way to estimate realistically the number of eligible personnel who will option for early retirement, the Office of Finance does not believe this number will increase beyond acceptable limits.

25X1 3. Mr. Fuchs stated that [] Office of Finance personnel are participants in the CIA Retirement and disability System and qualify under this act for optional retirement at 50 years of age. The majority of these employees are presently at the GS-11/ GS-15 level. While loss of these personnel will cause some problems in the Office of Finance, continued emphasis on recruitment and training of personnel on board will enable the Office of Finance to refill vacancies. At the same time, these vacancies will permit advancement opportunities necessary to retain quality personnel.

4. The following general topics were also discussed:

a. Second Careers. Because of the close relationship of work in the Office of Finance to work outside the Government, many Office of Finance personnel qualify for external job openings. Salary levels, except for highly qualified individuals, are \$7,000 - \$8,000 and usually consist of lower levels of

SUBJECT: DD/S Retirement Study - Discussion with Representatives of the
Office of Finance

responsibility than the employee enjoys in the Agency. This flexibility to obtain outside employment is not considered a major inducement to retire early.

b. Added Financial Inducements for Early Retirement. Mr. Fuchs stated he believed added financial inducements would encourage more persons to take early retirement. However, he pointed out that this would result in the loss of some highly qualified individuals as well as weed out personnel who have passed their peak, since the higher qualified individual would be more qualified and more confident of obtaining another position and starting a second career.

c. Use of Sick Leave. With one exception, Mr. Fuchs stated he did not believe that, in the Office of Finance, there was any excessive use of sick-leave privileges by near-term retirees. While there is much sentiment for some system to convert unused sick leave to some tangible reward for the employee, Mr. Fuchs stated that it was free insurance to the employee and he did not feel it was necessary to convert it on retirement.

d. Reemployment of Retirees. Mr. Fuchs indicated that rehiring of retirees on a contractual basis in staff type jobs could be a problem since it may be interpreted by outside reviewers as a subterfuge. Use of this category of personnel for special projects, i.e., Agency history, has some merit.

e. Overseas Rotation. Similar to other Support Offices, the Office of Finance has a large number of overseas positions to fill from an ever-dwindling number of flexible and available Headquarters personnel. This factor alone weighs heavily on the need for an early retirement program to provide room for new personnel.

5. During interviews with Office of Finance personnel who have received their five-year retirement letters, Mr. Fuchs stated he has noted a change in attitude among professional employees reflecting acceptance, although not complete approval, of the Agency Retirement System. Lower grade employees (GS-07 and below) are, in many cases, requesting extensions, which are usually approved. More than anything else, Agency employees have stressed a desire to be treated equally. Employees desire a standard policy administered fairly across the board without a large number of exceptions.

6. In summary:

a. The Office of Finance can live with the present Agency policy.

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Office of Finance

b. The Office of Finance, while willing to encourage certain early retirements, does not believe the mandatory retirement age should be reduced.

c. The Office of Finance does not believe there will be a mass exodus of Office of Finance personnel under the early options.

d. Added financial inducements for early retirement may, in some instances, induce highly qualified personnel to option for early retirement, as well as weed out those less qualified.

e. There is no widespread use of sick leave by near-term retirees.

f. Overseas rotation requirements remain the strongest reason for an early retirement program.



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MEMORANDUM FOR THE RECORD

SUBJECT: DD/S Retirement Study - Office of Logistics

1. The Office of Logistics can live with the present retirement policy of this Agency. Difficulty will arise (and has already arisen) as employees see examples of fellow employees being treated differently for no apparent reason. It is believed that the Office of Logistics and the entire Agency would find great difficulty in living with different policies applied by Directorates or Career Services. The Office of Logistics believes that the present retirement age of 60 is not only fair to most personnel but is in the best interest of the Agency. The Office of Logistics would be reluctant to raise or lower the age limit at this time.
2. The general attitude of retirees and near-term retirees from the Office on the Agency retirement policies is best described as ranging from reluctant acceptance to bitterness. There are a few who have accepted retirement but, generally, personnel feel put upon and feel that the Agency has not treated them fairly. This attitude is particularly strong in personnel who have transferred to this Agency after starting elsewhere under the Civil Service System. Most state that they were promised the rights of the Civil Service System with this Agency, including the privilege of working until age 70 or when they wished to retire. As a matter of record, printers transferred from the Department of State during 1957 were promised, by senior personnel from this Office, that their rights would not be lessened if they became CIA employees. Most employees feel the present Agency policy of retirement at 60 under the CSR System forces the same retirement as the CIAR System without giving the CSR retiree the same benefits.
3. Office of Logistics personnel do not feel that the CIAR program offers sufficient incentive to make early optional retirement worthwhile. While offering a slight increase in annuity, personnel realize the CIAR System provides the Agency with an option to force retirement anytime after age 50. In addition, many feel that the present cost-of-living adjustment allowance under the CSR System outweighs the CIAR benefits. In order to make the CIAR System more attractive, the Office of Logistics believes that some added financial inducement is necessary. This inducement can range from a direct payment at separation based on criteria of qualifying service, time, or age to an additional percentage in retirement based on a sliding scale dependent on how early an individual retires. The Office of Logistics believes that unless the CIAR System is made more attractive, it is not going to accomplish the original objective of an early retirement program.

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4. The Director of Logistics had comments on the following general topics:

a. Second Careers. Office of Logistics personnel enjoy a wide spectrum of skills, some of which are very saleable, such as architects and engineers, warehouse specialists, space management specialists, telephone operators, drivers, and maintenance men. Others, particularly logistics generalists who have served overseas, do not have skills directly applicable to the commercial market. These latter, more than others, qualify for early retirement. Logistics generalists usually command GS-12/GS-14 salary levels and responsible positions after 50 years of age and are reluctant to retire until the mandatory age limit. It is believed highly unlikely that there will be many Office of Logistics personnel who choose early options under the present CIAR System.

b. Reemployment of Retirees. The Office of Logistics has not reemployed retirees on contract after retirement and does not believe this is consistent with the spirit and intent of the Agency program. The Office history is being worked on in-house on a time-available basis.

c. Replacement of Retirees. At present, the Office of Logistics is not able to recruit and retain all the personnel with the specialized skills required. While there is no problem in recruiting professionals, such specialties as telephone operators and printers are frequently in short supply. It is believed that sufficient personnel can be obtained through recruitment to meet requirements within the limits of the Agency retirement policy.

d. Overseas Rotation. The Office of Logistics views early retirement as a necessity to maintaining a young, viable force able to fill overseas positions. At present, the Office of Logistics must staff about 186 positions overseas from an ever-dwindling supply of healthy and able candidates. Without vacancies provided for by the present retirement program, the Office of Logistics would have a difficult time recruiting and retaining sufficient personnel of the caliber required to fill overseas positions.

5. In summary:

a. The Office of Logistics can live with the present Agency Retirement System and believes that the present age limit of 60 should be continued.

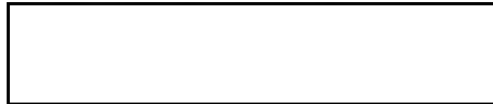
b. The present attitude of Office of Logistics retirees toward the mandatory retirement age of 60 ranges from reluctant acceptance to bitterness.

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c. The present CIAR program does not offer sufficient incentive to make acceptance of early optional retirement worthwhile. The Office of Logistics believes some added financial inducement is necessary.

d. The Office of Logistics believes that reemployment of retirees on contract is not consistent with the spirit and intent of the Agency program.

e. Overseas rotation requirements on the Office of Logistics remain the strongest reason supporting the requirement for an early retirement program.



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MEMORANDUM FOR THE RECORD

SUBJECT: DD/S Retirement Study - Discussion with the Director of Personnel

1. A meeting was held in the office of the Director of Personnel on 14 December 1967 in order to obtain the views of the Office of Personnel on the present and future policies in regard to the Agency retirement program insofar as it pertains to the Office of Personnel Career Service. Attending the meeting were:

Mr. Emmett D. Echols - Director of Personnel

Mr. George E. Meloon - Director of Logistics

Mr. - Special Assistant to the Director of Logistics

2. Mr. Echols stated that the Office of Personnel was not only able to live under the present Agency Retirement System but that, he believed, the Office was best able to live under these policies. Mr. Echols stated that he believed an increase in the expected retirement age to 62 or 65 would seriously impair and aggravate career development and cause the loss of good younger personnel. Mr. Echols cited an Office of Personnel study on position blockage that concluded that this Agency, if the present retirement policies stay in effect, will barely be able to go through the next five-year period without blockage in some grades. Any increase in the retirement age or excessive use of extensions would aggravate an already difficult period. Mr. Echols further stated he did not believe a reduction in the expected retirement age below age 60 is politically or psychologically feasible. The sentiment of Congress is obvious in this respect since the Congress summarily rejected a proposal to give agencies the authority to retire involuntarily persons otherwise eligible for voluntary retirement.

3. Within the Office of Personnel, there has been a general acceptance of the Agency retirement policy by both clerical and management personnel. To date, there has been no need for extensions of the Office's personnel beyond the limits set by Agency policies. The Office of Personnel has been able to recruit or fill vacancies from within to satisfy the needs created by resignations and retirements. Mr. Echols took this opportunity to express his feeling that, in filling senior vacancies, there should be more cross-fertilization among the Offices of the Support Directorate.

4. The following general topics were discussed:

a. Second Careers. Mr. Echols stated that there was a broad need outside of Government for personnel experience. Opportunities are believed to be

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available for retirees even at age 60, although opportunities are considerably better with earlier retirement.

b. Added Financial Inducement for Early Retirement. Financial inducement for early retirement, both under the CIAR System and the CSR System, would not only be appreciated by employees but could be justified under present Agency policies. It is believed that added inducements could be paid under the Director's administrative authority and would not require new legislation. Such inducements, similar to separation payments, could be paid on the basis of financial loss incurred as a result of having careers shortened. Mr. Echols stated that any bonus should be on a sliding scale to encourage retirement at the earliest option. He further remarked it was his opinion that such inducements would be effective across the board and would not result in the loss of the best qualified personnel as opposed to the weak employees.

c. Use of Sick Leave. Use of sick leave by Office of Personnel individuals nearing retirement is not a problem.

d. Overseas Rotation. The Office of Personnel does not have a problem filling overseas positions. The number of positions is far less than the available manpower ready, able, and anxious to fill the positions.

5. In summary:

a. The Director of Personnel believes the present Agency policy, requiring retirement at 60 years of age, is in the best interest of the Agency. Any increase in the age limit would have a detrimental effect on career development.

b. The Director of Personnel believes that early retirement should be encouraged but that it is doubtful, under the present feeling of Congress, that the mandatory retirement age could be further reduced.

c. Under present policies, the Office of Personnel does not expect a widespread move by employees to retire prior to the mandatory age of 60. As the retirement counseling program becomes effective, more employees who intend or need to work beyond age 60 will doubtless make earlier decisions to retire early.

d. Added financial inducements to early retirement are in the best interest of the Agency and would not result in a mass exodus of the best qualified personnel.

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e. There is no indication of abuse of sick leave by near-term retirees in the Agency.

f. Overseas rotation requirements are not a serious problem in the Office of Personnel.



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5 JAN 1968

MEMORANDUM FOR THE RECORD

SUBJECT: DD/S Retirement Study - Discussion with Representatives of the
Office of Security

1. A meeting was held in the office of the Director of Logistics on 11 December 1967 in order to obtain the views of the Office of Security on the present and future policies in regard to the Agency retirement programs. Attending the meeting were:

25X1 Mr. [] - Chief, Administration and Training Staff,
Office of Security
25X1 Mr. [] - Deputy Chief, Personnel Branch, Administration
and Training Staff, Office of Security
Mr. George E. Meloon - Director of Logistics
25X1 Mr. [] - Personnel and Training Staff, Office of Logistics
Mr. [] Special Assistant to the Director of Logistics

25X1 2. Mr. [] stated that the Office of Security was not only able to live under the present Agency retirement programs but that, through the application of the programs, would continue to have a healthy, flexible career service. Retirement at 60 years of age provides room for advancement of younger officers, therefore providing necessary stimulus to obtain qualified personnel. At present, the Office of Security does not foresee a problem in recruiting qualified personnel. In addition to the Career Trainee program, the Office of Security is able to obtain personnel with a wide spectrum of experience from the military and civilian security forces. Mr. [] did say that any increase in the mandatory retirement age would cause serious hardships in the Office of Security. While an increase to 62 years of age might not disrupt the Office of Security Career Service, an increase to 65 years of age would be unacceptable. 25X1

25X1 3. Mr. [] stated that there were presently about 45 Office of Security
25X1 personnel participating in the CIA Retirement and Disability Program. He stated that
25X1 this number is much too low. By broadening the criteria for qualifying service to include
[] operational support duties, many other Office of Security employees could be
25X1 included. Mr. []
[] assignments presently used as qualifying service. The inclusion of additional Office of Security personnel under the Agency program would make the program more equitable as well as provide additional opportunity for advancement of younger personnel.

SUBJECT: DD/S Retirement Study - Discussion with Representatives of the Office of Security

4. During discussions with Office of Security personnel, it has become clear that employees are resentful of the retirement programs, particularly the so-called "voluntary" aspects of retirement. Employees accept the fact that the present policy is in the best interests of the Agency and, for the most part, acquiesce to Agency requirements. Mr. [] stated that the Office of Security has tried to follow the spirit and intent of the Agency policy. Above all, it is obvious that Agency employees want to be treated fairly under one set of rules across the board without a wide variety of exceptions. Mr. [] stated that one big improvement in this area would be to delete any reference, either verbal or written, to the fact that the retirement is "Optional." It should simply be referred to as "Retirement - in accordance with CIA Policy."

5. The following general topics were discussed:

a. Second Careers. Office of Security personnel have been generally successful in obtaining second careers if they retire between the ages of 50 and 55. As a person reaches the age of 60, opportunities seriously diminish. Salaries offered with these jobs range to about \$7,500 per year, and positions lack the prestige and levels of responsibility professional employees enjoy in the Agency. These do not appear to be major factors in encouragement of early retirement.

b. Reemployment of Retirees. As a corollary to second careers, the Office of Security is unique in that it frequently can offer a retiree a part-time contract for investigative work. These assignments depend upon availability in the area where the employee relocates. While these assignments are neither long term nor offer full-time employment, they have a big psychological advantage to the employee on starting retirement. Although many retirees are anxious to obtain such contracts, relatively few wish to continue working for the Agency a year or two after retirement.

c. Added Financial Inducement to Early Retirement. Mr. [] stated that he believed some added inducement to early retirement would be very helpful and would serve to make early retirements more acceptable as well as more equitable. The determination of such extra inducement would require special study and should take into consideration age and service time.

d. Use of Sick Leave. The use of sick leave by near-term retirees is not a problem in the Office of Security.

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Office of Security

e. Overseas Rotation. The Office of Security does not have a large overseas force in relation to Headquarters personnel but still requires a cadre of young, healthy, and flexible personnel. Vacancies provided through early retirement will permit the Office of Security to maintain its force.

25X1

6. Mr. [] stated that the Office of Security had a slight problem with receptionists generally hired late in life who, if retired at age 60, would not receive a retirement sufficient for a reasonable standard of living. Mr. Meloon suggested that these personnel might do better and present less of a problem if they were hired on contract under the Social Security System.

7. In summary:

a. The Office of Security can live with the present Agency retirement policy and believes it provides for a reasonable turnover, allowing the Office to keep and attract good personnel.

b. The Office of Security believes the voluntary retirement age of 60 is correct. An increase would not be in the best interest of the Office of Security. Retirement at a lower age should be encouraged but not made mandatory.

c. The basis for determining "qualifying service" for the CIA Retirement and Disability System should be broadened.

d. Added financial inducements for early retirees would be helpful and would serve to make early retirements more acceptable and more equitable.

e. There is no widespread use of sick leave by near-term retirees.

f. Overseas rotation remains a strong reason supporting an early retirement program.

g. Retirement forms should indicate that the individual is retiring in accordance with Agency policy and not necessarily at the employee's option.

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3 JAN 1968

MEMORANDUM FOR THE RECORD

SUBJECT: DD/S Retirement Study - Discussion with the Director of Training

1. A meeting was held in the office of the Director of Training on 15 December 1967 in order to obtain the views of the Office of Training on the present and future policies in regard to the Agency retirement program. Attending the meeting were:

Mr. John H. Richardson - Director of Training

Mr. George E. Meloon - Director of Logistics

Mr. - Personnel and Training Staff, Office of Logistics

Mr. Special Assistant to the Director of Logistics

2. Mr. Richardson stated that the Office of Training can certainly live within the limits of the Agency retirement policy but he did not feel strongly that retirement at 60 years of age was necessary. It is the personal opinion of the Director of Training that retirement at age 62 is more appropriate. The present policy of retirement at 60 years of age is stringent. Mr. Richardson stated that the thrust of mandatory retirement at 60 years of age clearly points to very early retirement, perhaps as early as 50. He speculated that this may not prove to be very attractive to new personnel the Agency seeks to recruit and retain. He added that retirement at age 60 means that the career officer enters his terminal assignment period at about 55 or 56 with the possibility or probability that he will be given a secondary or back-row assignment at that time, if he is in the process of changing jobs, in order to make further room for younger officers with longer periods of service ahead of them.

3. The Office of Training has had about ten voluntary retirees in the past three years and is not aware of any bitterness on the part of Office of Training personnel toward the Agency policy. There are a few employees who came to the Agency from universities and other Government agencies fully expecting retirement at age 65. Mr. Richardson stated that these personnel deserved some additional consideration.

4. Mr. Richardson stated that a single, firm, and fair retirement policy administered across the board, without unreasonable exceptions, was required for the Agency. Anything else would serve to upset employees and, in particular, send career employees out disgruntled. This could have a damaging effect on the Agency image and on future recruitment.

SUBJECT: DD/S Retirement Study - Discussion with the Director of Training

5. The following topics were also covered:

a. Second Careers. Teaching positions are usually available if an Office of Training careerist retires early enough. As with most employment, opportunity for teaching positions diminishes with age. These positions generally pay less than the salary enjoyed with the Agency. Mr. Richardson stated he did not believe that, to most employees, a second career was preferable to remaining with the Agency. Many, if they realized they were expected to retire early enough to require a second career, would never come to work for the Agency.

b. Financial Inducement for Early Retirement. Mr. Richardson stated that he believed some added inducement was necessary to make early retirement more attractive. Based on a sliding scale, the added inducement should reward personnel for years retired prior to the mandatory age. A person leaving early voluntarily, under a reward system, would feel much better about retirement and would not feel that he was put out before his time.

c. Reemployment of Retirees. Mr. Richardson stated that he had plans to hire a retiree to complete the Office of Training history. Any widespread use of retirees as contract personnel in staff type positions would be inconsistent with the Agency retirement policy.

d. Overseas Rotation. The Office of Training does not have an overseas rotation problem. A few individuals are sent overseas on a loan basis through the Clandestine Services, but there are not enough to cause a rotation problem requiring an early retirement program.

6. In summary:

a. The Office of Training can live with the present Agency retirement program and would have no problem if the mandatory age was raised to 62.

b. The Office of Training believes that personal consideration should be given to employees hired by the Agency with a clear understanding that they would not be asked to retire until 65 years of age.

c. The Office of Training believes that personnel would, on the whole, prefer to remain with the Agency rather than retire early enough to start second careers.

SUBJECT: DD/S Retirement Study - Discussion with the Director of Training

d. Financial inducement to early retirement is desirable for both the CSR and the CIAR Systems if the objectives of early retirement are to be met.

e. The Office of Training does not have an overseas rotation problem requiring an early retirement program.



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